

Subject: Citywide Purchasing Policy	Number: 3-1
	Date Issued/Revised: June 1, 2002
Responsible Department: GSD-Purchasing	Approved:

Purpose

To establish a Citywide purchasing policy and provide an overview over procurement options.

Policy

The City of Fresno has a centralized purchasing function. The Purchasing Division is responsible for the purchase of equipment, materials and supplies, the bidding of public works projects, and for technical and non-professional services, such as custodial, processing, security, temporary personnel and other services. Consultant and professional (i.e., “brain”) services (such as engineering, design, legal, auditing, advertising, underwriting, medical, planning, training, customer service surveys and similar) are decentralized in the City of Fresno and are the responsibility of individual departments (see Administrative Order 6-19, Contracts for Service). However, the Purchasing Division is available for professional services as a mailbox to receive proposals, or as a resource, if requested by City clients.

Clients are encouraged to contact Purchasing for any special needs and priorities, such as grants, to allow Purchasing to plan for special assistance, if required, and to meet client needs. To maintain communication with its clients, Purchasing conducts liaison meetings with client divisions twice a year.

All business conducted by the Purchasing Division, except for services, is based on the principle of competitive bidding in accordance with Charter Section 1208, with award to the lowest responsive and responsible bidder. Competitive bidding assures the best pricing for the City, provides equal access to suppliers/contractors for City business and ensures accountability of public funds.

City clients determine their operational needs, and the Purchasing Division identifies the most effective and expeditious procurement to meet these needs. The Purchasing Division maintains an updated Procurement Handbook to assist their clients’ understanding of procurement procedures.

Procedures

Procurements fall into two distinct categories: procurement over the formal bid limit; and procurement under the formal bid limit. All procurement shall be initiated either by a requisition, or the submittal to Purchasing of bid specifications with funding information.

1. Procurement Over the Formal Bid Limit

- a. Formal Bids. The formal bid limit is determined by Charter Section 1208 (see Attachment). It is adjusted by the Consumer Price Index (CPI) each July 1 and communicated to departments by the Purchasing Manager. All purchases of equipment, supplies and public works construction over the formal bid threshold require formal, advertised bidding with award by the City Council.
- b. Sole Sources. Materials, supplies and equipment that can be obtained from only one supplier may be purchased through the sole-source process. Sole-source purchases are subject to the approval of the Purchasing Manager or his/her designee, and sole sources over the formal bid limit require Council approval of a sole-source resolution.
- c. Cooperative Purchases and Piggybacks. Under Charter Section 1208, the Purchasing Manager may purchase equipment and products through Cooperative Purchasing Agreements with other public agencies by being a primary party in a joint formal bid, or by purchasing from a supplier who has been awarded a contract by other governmental agencies under the same terms and at the same pricing ("piggyback"), including General Services Administration (GSA) and California Multiple Award Schedule (CMAS) contracts. All piggybacks must be authorized by the Purchasing Manager or his/her designee.

2. Procurement Under the Formal Bid Limit

Procurement under the formal bid limit may occur in various forms: obtaining quotes; using a sealed, but informal bid process; providing "open" purchase orders (particularly for maintenance and repair items, and low cost items that are difficult to bid); or through other processes. The Purchasing Division will choose the process best suited to a timely procurement.

One-time purchases under a certain limit (see Attachment) are decentralized and may be made directly by clients under the Request for Payment process, or by obtaining a purchase order number from Purchasing. Purchases under the decentralized limit for software, computers, City Hall furniture, remodeling, welding, vehicular equipment and printing shall be authorized through the respective Internal Service Funds. The decentralized limit is not intended for repetitive purchases, which shall either be acquired through a requirements contract or Purchasing will provide an "open" purchase order.

It is the policy of the City to close out all "open" purchase orders (for maintenance, repair and low-cost items) at the end of each fiscal year with a two-week grace period for payment. Purchase Orders for purchases of equipment, and for contracts for supplies, materials and services may roll over from one fiscal year to another and shall be closed out by the client when the equipment has been delivered or at the end of the contract period.

3. Services

a. Consulting/Professional Services (decentralized)

The Purchasing Division is not responsible for consultant and professional (i.e., “brain”) services, which are decentralized in the City of Fresno (see Administrative Order 6-19, Contracts for Service). Consultant agreements over \$50,000 are subject to Council approval and shall be encumbered by means of a Purchase Order.

b. Technical and Non-professional Services (Purchasing)

The Purchasing Division is responsible for technical and non-professional services, such as custodial, processing, security, temporary personnel and other services. Services that require a contractor’s license, such as well cleaning, are considered public works projects. Requests for Proposals (RFPs) rather than bids are used for contracting for services. Requests for Proposals are awarded, not on price alone, but on a combination of evaluation factors which include price. In accordance with Municipal Code Section 3-109(b), award of contracts for services over \$50,000 is made by the City Council; award under \$50,000 is delegated to the City Manager or his/her designee (see Attachment). The City Manager has designated the Purchasing Manager for award of contracts/Requests for Proposals for technical and non-professional services under \$50,000.

4. Other

a. Emergency Purchases.

(1) Repairs. For emergency purchases, such as a repair part for a “down” piece of equipment, material needed for repair of items providing vital services, unforeseen items not known prior to commencement of a project, or health and safety items, contact the Purchasing Division for a purchase order number. For emergencies at night or on weekends, complete the transaction and obtain a number on the next working day.

(2) Equipment and Construction. The emergency purchase of equipment or emergency construction over the formal bid limit is subject to the Council’s approval of an Emergency Resolution to suspend competitive bidding in accordance with Section 1208(a) of the Charter. The Emergency Resolution is submitted to the Council by the client; Purchasing is available as a resource.

b. Emergency Purchases in Case of Catastrophic Incidents or Disasters. These purchases are described in a separate policy and procedure.

c. Prequalifications. Prequalifications are used in a two-step process to qualify products and suppliers for procurement of complex technical equipment. The prequalification consists of a Request for Proposals without pricing, followed by a formal bid with pricing.

- d. Requirements Contracts. Whenever effective, Requirements Contracts are recommended for any repetitive purchases, including inventory and services. Requirements Contracts establish firm pricing for products or services with suppliers for a fixed time period and allow City clients to place orders directly with the supplier, or receive services, without further involvement of the Purchasing Division. Requirements contracts will normally be established for one-year periods with two one-year extensions. Terms of the contract will provide price adjustment methodology for the second and third years.
- e. Appeals. Appeals for procurement over the formal bid limit will follow the current Appeals Resolution. Appeals for procurement under the formal bid limit will be dealt with by the Purchasing Manager.

5. Contract Administration

Contracts are administered by client divisions. Purchasing is the contract administrator for Citywide contracts, such as uniforms and stationery. Should City clients experience problems with any supplier/contractor to whom Purchasing recommended award, please alert the Purchasing Division. The City is committed to use only suppliers/contractors who perform satisfactorily and in accordance with specifications.

6. Local Preference

The Fresno Municipal Code (FMC) establishes a local preference for bidders whose main or branch office is located within a 25-mile radius from City Hall. The local preference is applied when the low bidder is non-local and the second bidder is local. **Local preference cannot be applied to federally funded purchases and projects.** The local preference varies with the type of procurement.

Products: (materials, supplies, equipment):

Five percent up to \$250,000 [FMC, Section 3-105(h)(1)]

Public Works projects:

One-half of one percent, not to exceed \$1,000 [FMC, Section 3-105(h)(2)]

Services:

Five percent, no cap [FMC, Section 3-109.1(b)(4)]

7. Surplus

In accordance with the Fresno Municipal Code, Section 3-202, the Purchasing Manager is responsible for the disposal of surplus.

Detailed purchasing procedures are contained in a separate handbook.

ATTACHMENT
to Citywide Purchasing Policy
Thresholds as of July 1, 2001

Decentralized purchases (departments/divisions may make purchases themselves)

\$1,000 Non-repetitive purchases with Request for Payment.
\$2,000 Non-repetitive purchases with use of Emergency Purchase Order No.

Informal bids (Materials, supplies, equipment and public works projects)

Up to \$32,000 Award by Purchasing.

Formal bids (Materials, supplies, equipment and public works projects)

Over \$32,000 Award by Council

Services (Consultant/professional services)

Up to \$50,000 Department Director approval
Over \$50,000 Council approval

Services (Technical/non-professional services)

Up to \$50,000 Purchasing approval
Over \$50,000 Council approval

Subject: Emergency Purchases	Number: 3-2
Responsible Department: GSD—Purchasing	Date Issued/Revised: June 1, 2002
	Approved:

Purpose

To establish a uniform procedure and policy in regard to emergency purchases.

Policy

Definition

An emergency purchase is defined as a repair part for a “down” piece of equipment; material needed for repair of items providing vital services; unforeseen items not known prior to commencement of project; situations where a return visit to repair equipment or complete a project would not be cost-effective. The Purchasing Manager will approve such a purchase.

Procedures

1. Before making an emergency purchase, the authorized employee must call the Purchasing Division (except for nighttime emergencies) and obtain a purchase order number. (Be prepared to give reason for emergency request, vendor, and dollar estimate of expenditure.) A Purchase Order/Requisition together with a sales slip or some other evidence of the transaction shall be submitted to the Purchasing Division within 24-hours after the purchase is made.
2. For nighttime emergencies, which require the immediate acquisition of materials, services or supplies, complete the transaction accordingly. Then call the Purchasing Division the next working day and secure a Purchase Order number following above procedure.

Subject: Sole-Source Purchases Over the Formal Bid Limit	Number: 3-3
	Date Issued/Revised: June 1, 2002
Responsible Department: GSD—Purchasing	Approved:

Policy

In the event that there is one, and only one, source for a product in excess of the formal bid limit, a sole-source contract may be used.

Procedure

When a department wishes to purchase a product over the formal bid limit from a "sole source" without competitive bidding, a sole-source resolution is to be prepared and submitted with a Council agenda item. In order to establish a legal basis for a sole-source exception, the following statements and findings must be made and set forth in every sole-source resolution:

1. A statement describing every unique or specialized feature of the product in question.
2. A statement of why the department requires that the product in question has such unique or specialized features (i.e., a statement of why a product without such features would not meet the department's needs).
3. A description of the department's efforts to locate all possible suppliers of such product.
4. A statement that, in spite of its efforts, the department has been able to locate only one supplier of the product in question.
5. A statement that indicates the ultimate cost of the product and the process used to determine the cost of the product.
6. A finding that it is, therefore, proper for the City to dispense with the competitive bidding requirement in this instance and to authorize the Purchasing Manager to purchase the product in question under the sole-source exception.

A copy of the draft agenda item, sole-source resolution and matrix showing comparisons of features between manufacturers/suppliers (see attached sample) shall be submitted to the Purchasing Manager for review and processing prior to placement on the Council agenda. The Purchasing Manager will obtain a quote from the vendor and forward the documentation, with a recommendation, to the City Attorney's Office for review and recommendation.

An example of a sole-source resolution may be obtained from the Purchasing Division.

City of Fresno Comparison Chart

Sample

Division/Department: Fire Department

Equipment: Self-Contained Breathing Apparatus (SCBA' s)

Features	Manufacturer A Availability	Manufacturer B Availability	Manufacturer C Availability	Manufacturer D Availability
1. Low Air Whistle Warning Device with various frequencies	No	Yes	No	No
2. Second-stage Regulator,				
a. Detachable from face mask in any position.	Yes	Yes	No	No
b. Detachable with gloves on.	No	Yes	No	No
Total Cost:	\$xxxxx	\$xxxxx	\$xxxxx	\$xxxxx
Explanation of Features				

1. Manufacturer B offers a low air whistle warning device which has a warbling sound feature that enables the wearer to hear the warning device at various frequencies. This is an important safety feature to the wearer because some firefighters have hearing loss to certain frequencies. Manufacturers A, C, and D only offer a low air whistle warning device with one frequency. With a single frequency warning device, a firefighter may not hear the warning sound due to a particular frequency used. This could result in serious consequences to the firefighter.

2. Manufacturer B offers a Second Stage Regulator that is detachable from the face mask in any position. This is an important safety feature because it allows the wearer to connect or disconnect the regulator from the face mask without requiring it to be lined up with notches or slots. Furthermore, this Regulator can be connected or disconnected while wearing safety gloves. Manufacturers C and D require the regulator to be lined up with notches or slots in order to connect or disconnect the regulator. This creates a safety concern because it is more timely and difficult to connect or disconnect the regulator under emergency conditions, and is especially a concern when operating in low light or smokey conditions. Furthermore, the regulator offered by Manufacturers C and D cannot be removed while wearing gloves. Manufacturer A offers a regulator that is detachable from the face mask without lining it up with notches or slots, but the release button is so small that it requires the removal of gloves to disconnect. It is a safety concern of the Fire Department if the wearer must remove his/her gloves in order to disconnect the regulator.

Subject: Property Sales to Employees	Number: 3-5 Date Issued/Revised: December 1, 1998
Responsible Department: DAS—Purchasing	Approved:

Purpose

To establish an overall policy regarding the sale of real or personal property to City employees.

Procedures

1. It will be the policy of the City to allow City employees to participate in the purchase of City property, real or personal, when:
 - a. Offered for sale through the process of a sealed bid.
 - b. Offered for sale through an auctioneer, where the auction is to be appropriately announced as being open to the general public.
2. No City officer or employee shall purchase the property when the officer or employee participated in the decision that the City property involved was surplus or could be sold.
3. When an employee submits a sealed bid or takes title to surplus property, the employee shall sign a disclaimer (see attached form) stating he/she is not excluded by Subsection 2 of this Administrative Order from buying property.
4. These prohibitions shall be construed to prohibit the employee from purchasing or coming into ownership of said property, either directly or through intermediaries.
5. Any violation of this policy may result in disciplinary action.

DISCLAIMER

I hereby state that I am not excluded by Subsection 2 of Administrative Order 3-5 from purchasing surplus property of the City of Fresno.

Signature

Date

Subject: Uniform Program	Number: 3-6
	Date Issued/Revised: December 1, 1998
Responsible Department: DAS—Purchasing	Approved:

Purpose

1. To affix overall responsibility for the operation of the program.
2. To establish an overall policy regarding new divisions or agencies entering into the uniform program.
3. To set forth general procedural guidelines for the operation of the program.

Responsibility

1. The overall responsibility for the operation of the uniform program will rest with the Department of Administrative Services. This department will be expected to ensure the implementation of the procedures set forth in this directive.
2. The responsibility for solving minor uniform problems will rest with the designated employee in each division who serves as a liaison between the uniformed employees and the laundry driver.

Procedures

1. It will be the City's policy to require a favorable majority vote by the applicable employees before instituting a new uniform program in any division. However, it will be assured that all new employees will be automatically included in the program once it has been established.
2. After it has been determined that a division will institute a uniform program, employees will select a specific uniform plan that will provide them with the uniforms best suited to the work they do. The following seven plans are available for selection:

Plan A: Weekly supply of two sets of coveralls.

Plan B: Weekly supply of two sets of pants and white cotton shirts.

Plan C: Weekly supply of two sets of shirts and pants.

Plan D: Weekly supply of two pants and four shirts.

Plan E: Weekly supply of two dacron pants and four shirts.

Plan F: Weekly supply of four shirts and four pants.

Plan G: Weekly supply of five white shirts and two dacron pants.

3. The total cost of the program will be shared on a 50-50 basis between the City and the employee, and the appropriate employee cost will be deducted from the employee's paycheck.
4. Payroll deductions will be stopped only if an employee is absent from work for a complete pay period because of sickness, injury or leave without pay.
5. Notations of employees added to or deleted from the uniform program shall be made on the uniform report that accompanies each prelist.
6. Although the responsibility for the uniform program is now centralized, it is suggested that each division designate one employee as a liaison between the laundry and the employees for the purpose of resolving minor uniform problems. Some of these minor problems would be lost or damaged garments, starch problems, delays in service, incorrect sizes, etc. Complaints to the laundry shall be submitted to the laundry driver in writing in the appropriate section of Form No. 1, attached to this directive, and a copy will be forwarded to Human Resources for analysis.
7. When problems do arise that cannot be resolved between the division and the laundry, the Department of Administrative Services should be contacted for assistance in resolving the difficulty.
8. changes in uniform plans will be permitted only if an employee changes departments or jobs in which the uniform of the new department or job is a different color, type or number. These changes will be requested in writing in the appropriate section of Form No. 1. Once a year, on the first working day in January during the live of the contract, all employees will have an opportunity to increase their uniform plans if there is good reason to do so.
9. Short-sleeve shirts will be issued to those employees requesting this service, in writing, on Form No. 1. This service is not mandatory, but it is understood that the service is based upon two exchanges annually. The season for short-sleeve shirts is May 1 to November 1, except for those employees who request short-sleeve shirts year-round. Once year, on the first working day in January during the life of the contract, all employees will be required to indicate whether or not they desire short-sleeve shirts.
10. It is understood that City uniforms are to be worn only while going to and coming from work, and while actually at work for the City of Fresno. Under no circumstances will City employees wear uniforms while working outside of the City government.
11. Dirty uniforms will be turned in at the various designated pick-up stations each week. Employees not meeting this schedule will have shortages in their uniform supply.

12. Medium starch will be used in all uniforms, unless an employee can provide a doctor's certificate that shows he/she is allergic to starch. In this case, the uniforms will be laundered without starch.
13. Temporary and provisional employees may be issued used uniforms for the duration of their jobs, if such uniforms are available at the laundry. If a temporary employee becomes permanent, new uniforms shall be issued.
14. In those divisions that have selected a uniform plan, it is mandatory that all employees covered by the plan wear the prescribed uniform. The only exception is that a physician may exempt an employee because of allergies to starch, material, etc.

Subject: City Letterhead, Stationery, Business Cards for City Employees	Number: 3-7
	Date Issued/Revised: December 1, 1998
Responsible Department: DAS—Purchasing	Approved:

Purpose

To establish a standardized format for stationery and business cards.

Policy

Letterhead

Letterhead stationery shall conform to a standardized format unless exceptions to the standard style is permitted by the City Manager's Office. City of Fresno letterhead stationery is used for correspondence sent to outside agencies, businesses and citizens.

Memorandum Stationery

City of Fresno memorandum stationery is plain paper with the blue City of Fresno logo in the upper left-hand corner and is used for internal correspondence.

Business Cards

An employee who has frequent contact with the public may be provided with personalized business cards upon approval by his/her department director. Three format styles of business cards are authorized for use by City staff. The styles are:

A.

B.

C.

Business cards should follow the standard format listing the individual's name, position title, department, division, street address, city, state and 9-digit zip code, followed by the phone number and fax number.

Exceptions to the above styles are permitted only upon approval of the City Manager's Office and are generally restricted to enterprise accounts, e.g., FAX, Fresno Air Terminal, Zoo.

Members of the City Council and the E-range managers may have the Fresno logo embossed with blue foil. This option is available in either of the above styles.

Business cards are generally printed in quantities of 500.

Procedures

Printing requests for business cards should use the standard Printing Requisition and specify one of the above two styles.